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Charles L. A. Terreni, Esq.
Chief Clerk and Administrator
Public Service Commission of South Carolina
Saluda Building
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Re: Proposed Merger of Sprint Corp. and Nextel Communications, Inc.

Dear Mr. Terreni:

I am writing on behalf of the Sprint companies regulated by this Commission (collectively "Sprint") to provide information to the Commission on plans whereby Sprint's parent company, Sprint Corporation, and Nextel Communications, Inc. ("Nextel") will merge pursuant to a merger plan, more fully described below.¹ Under the parties' merger agreement, Sprint Corporation will be the surviving parent (renamed Sprint Nextel) and Sprint Corporation shareholders will own approximately 51 percent and Nextel shareholders will own approximately 49 percent of the stock of Sprint Nextel. The transaction involves only Sprint Corporation, the ultimate parent company: there will be no changes to the Sprint Corporation subsidiaries operating in the State of South Carolina. There also will be no change of control of Sprint Corporation, the ultimate parent of the South Carolina regulated subsidiaries.

As you know, Nextel and its subsidiaries (all wireless companies) and Sprint Corporation's wireless subsidiaries are not subject to the jurisdiction of this Commission with respect to entry regulation. Accordingly, because the ownership changes from the merger involve only Nextel, Sprint does not believe that this transaction is subject to Commission review and approval under applicable South Carolina statutes and Commission rules. Nevertheless, Sprint provides the Commission with this description of the merger transaction. The proposed separation of Sprint's incumbent local exchange companies is also described briefly below, and will be addressed with the Commission at a later date.

¹ The regulated Sprint Companies in South Carolina are the following: United Telephone Company of the Carolinas, Inc.; Sprint Communications Company L.P.; Sprint Payphone Services, Inc.; and ASC Telecom, Inc., d/b/a AlternaTel.

Description of the Transaction

The boards of directors of Sprint Corporation and Nextel unanimously have approved a merger agreement.² Subject to the terms and conditions of the merger agreement, and in accordance with Delaware law, at the effective time of the merger, Nextel will merge with and into S-N Merger Corp., a wholly owned Delaware subsidiary of Sprint Corporation formed for the purpose of the merger. S-N Merger Corp. will survive the merger as a wholly-owned subsidiary of Sprint Corporation, and Sprint Corporation will be renamed Sprint Nextel Corporation upon completion of the merger. The merger will become effective upon the filing of a certificate of merger immediately upon the closing of the merger, which is expected in the second half of 2005. When the merger is complete, Sprint Corporation shareholders will own approximately 51 percent and Nextel shareholders will own approximately 49 percent of the stock of Sprint Nextel.

The merger is subject to shareholder and federal and state regulatory approvals, as well as other customary closing conditions. On February 8, 2005, Sprint Corporation and Nextel filed an application for FCC approval of the merger.

Sprint Nextel will maintain its executive headquarters in Reston, Virginia, and its operational headquarters in Overland Park, Kansas.

The Management Team

A highly experienced management team will lead Sprint Nextel, adding Nextel's expertise to the existing expertise of Sprint Corporation. Gary D. Forsee, currently chairman and chief executive officer of Sprint Corporation, will become president and chief executive officer of Sprint Nextel. Timothy M. Donahue, currently president and chief executive officer of Nextel, will become chairman. Together they have a proven track record of leadership and nearly six decades of industry experience. Len Lauer, currently president and chief operating officer of Sprint Corporation, will serve as chief operating officer, and Paul Saleh, currently Nextel's executive vice president and chief financial officer, will serve as chief financial officer of Sprint Nextel. Tom Kelly, executive vice president and chief operating officer at Nextel, will become the company's chief strategy officer. Barry J. West, Nextel's executive vice president and chief technology officer, will serve as its chief technology officer. Leading the transition teams and serving as co-chief transition officers will be Steve Nielsen, senior vice president – finance at Sprint Corporation, and Richard Orchard, Nextel's senior vice president and chief service officer.

The Sprint Nextel Board will consist of 12 directors, six from each company, including two co-lead independent directors, one from Sprint Corporation and one from Nextel.

² Sprint will provide a copy of the merger agreement to the Commission upon request.

Customer Benefits

The merger of Sprint and Nextel will create a strong, independent, and innovative competitor that will improve existing services for customers while developing new innovative products that will provide customers additional choices. For customers, this combination will allow Sprint Nextel to:

- Offer digital wireless service in all 50 states, Puerto Rico and the U.S. Virgin Islands;
- Provide robust integrated wireless and IP-based wireline solutions to business customers;
- Invest to deploy next-generation wireless interactive multimedia communications solutions, bringing new and compelling products to market to benefit consumers and businesses at a speed and with efficiencies neither company could accomplish individually;
- Cost effectively invest to improve wireless service coverage, capacity, and quality;
- Deploy broadband infrastructure more efficiently, obviating the need for a multi-billion dollar investment by Nextel in new wireless communications facilities; and
- Develop enhanced wireless products and services for the public safety community.

Sprint Nextel will utilize Sprint Corporation's nationwide and international fiber optic wireline network, which includes 30 Sprint-owned metropolitan area networks in the U.S. and 37 international fiber points of presence. No changes will be made in Sprint's South Carolina networks for local and long distance services as a result of the merger. The merger will be transparent to customers of the Sprint companies regulated by this Commission. The rates, terms and conditions for those customers currently in effect in the State of South Carolina will be unaffected by the merger.

Separation of Local Telecommunications Companies

Following the close of the merger, Sprint Nextel intends to separate Sprint's local telecommunications business in all 18 states where it operates, including consumer, business and wholesale operations, from its other businesses. Sprint Nextel then will spin off this separated company to the Sprint Nextel shareholders in a transaction that is expected to be tax free. A holding company will directly or indirectly own these incumbent local exchange companies in the 18 states after this transaction.

The local telecommunications business will have its own management team and board of directors. The local telecommunications business, which has 7.7 million local access lines in 18 states (including approximately 100,000 access lines in South Carolina) and had revenues of

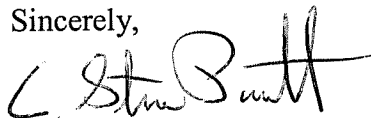
more than \$6 billion over the past four quarters, will be the largest independent local telephone company in the United States. It is intended that it will have commercial operating relationships with Sprint Nextel for mobile and long-distance network services and that it will receive from Sprint Nextel certain transitional services, including corporate support functions. Its corporate headquarters will be in the Kansas City metropolitan area. Completion of the spin-off is subject to certain conditions, including any required regulatory approvals. Following the spin-off, the common stock of the local telecommunications business is expected to be listed on the New York Stock Exchange.

Following the spin-off, United Telephone of the Carolinas will continue to have the requisite technical, managerial and financial ability to continue to provide service to consumers in South Carolina consistent with its obligations under South Carolina law and consistent with the public interest.

* * * * *

It is my pleasure to provide for your information the preceding summary of the upcoming Sprint-Nextel merger. We look forward to the consummation of the merger and the beginning of a new exciting phase of our ongoing relationship with the citizens of South Carolina. Enclosed herein are the original and ten copies of this letter. Thank you for your consideration, and please call me if you should have any questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Steve Parrott", written in a cursive style.

C. Steve Parrott

CSP/tc

Enclosures

cc: Mr. Dukes Scott, ORS
Ms. Florence P. Belser, ORS
Ms. Katie Morgan, ORS
Mr. Martin H. Bocock
Mr. Scott Elliott
Mr. William R. Atkinson

Sprint Nextel Proposed Merger

Initial Briefing for South Carolina Commission and Office of Regulatory Staff

February, 2005

**By: C. Steve Parrott, Martin Bocock and Scott Elliott
Sprint**



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Sprint Nextel Proposed Merger

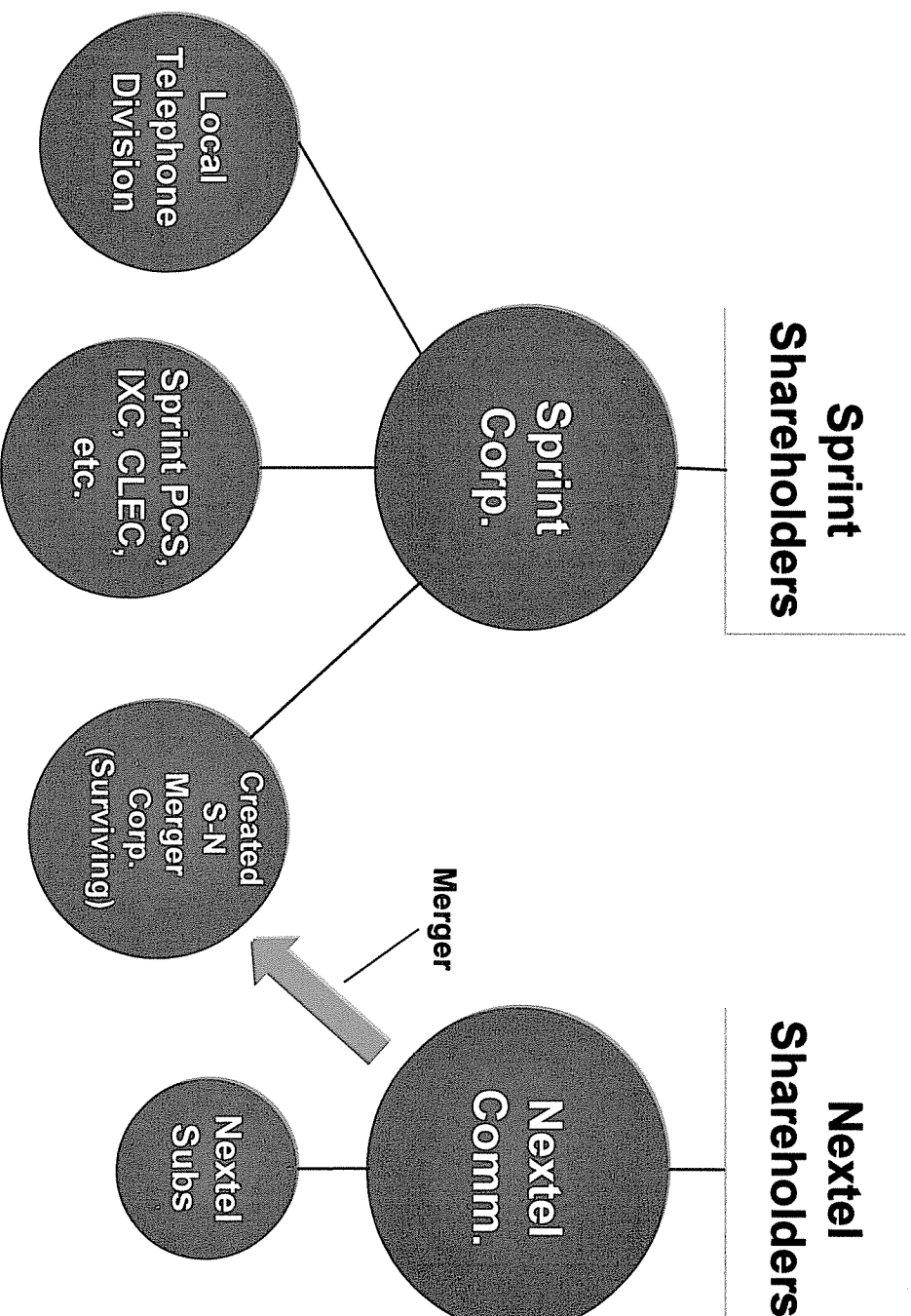
Outline of Merger Transaction

- Sprint Corporation and Nextel Communications, Inc. announced a merger agreement on December 15, 2004.
- No changes to Sprint subsidiaries operating in South Carolina.
- Merger to be accomplished through conversion of Nextel Stock to Sprint Nextel stock.
- Nextel will merge into newly created S-N Merger Corp., which will be wholly owned subsidiary of Sprint Corporation.
- Closing expected not later than EY05.



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Sprint Nextel Proposed Merger

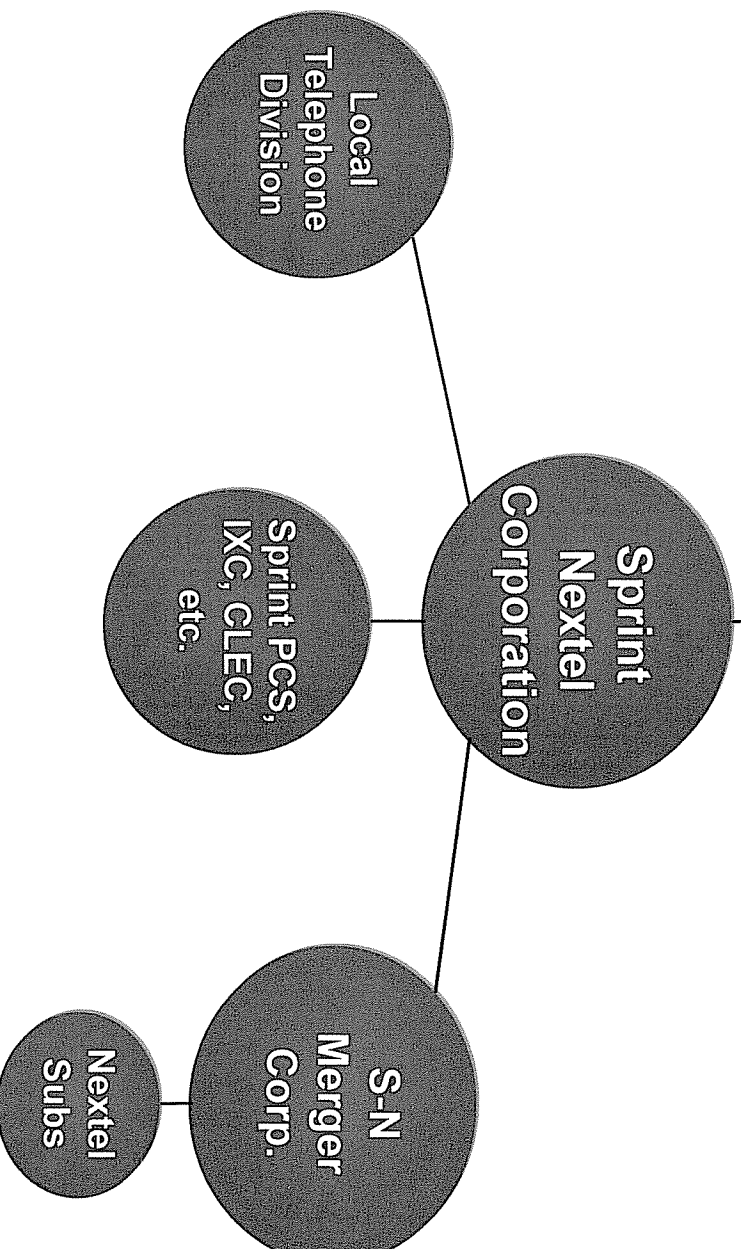


• Agreement is for Nextel Comm. to merge into S-N Merger Corp.

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Sprint Nextel Proposed Merger

Sprint Shareholders and Former Nextel Shareholders



- Sprint shares remain outstanding; Each Nextel common shareholder will receive shares of Sprint stock in exchange for their Nextel stock

Sprint Nextel Proposed Merger

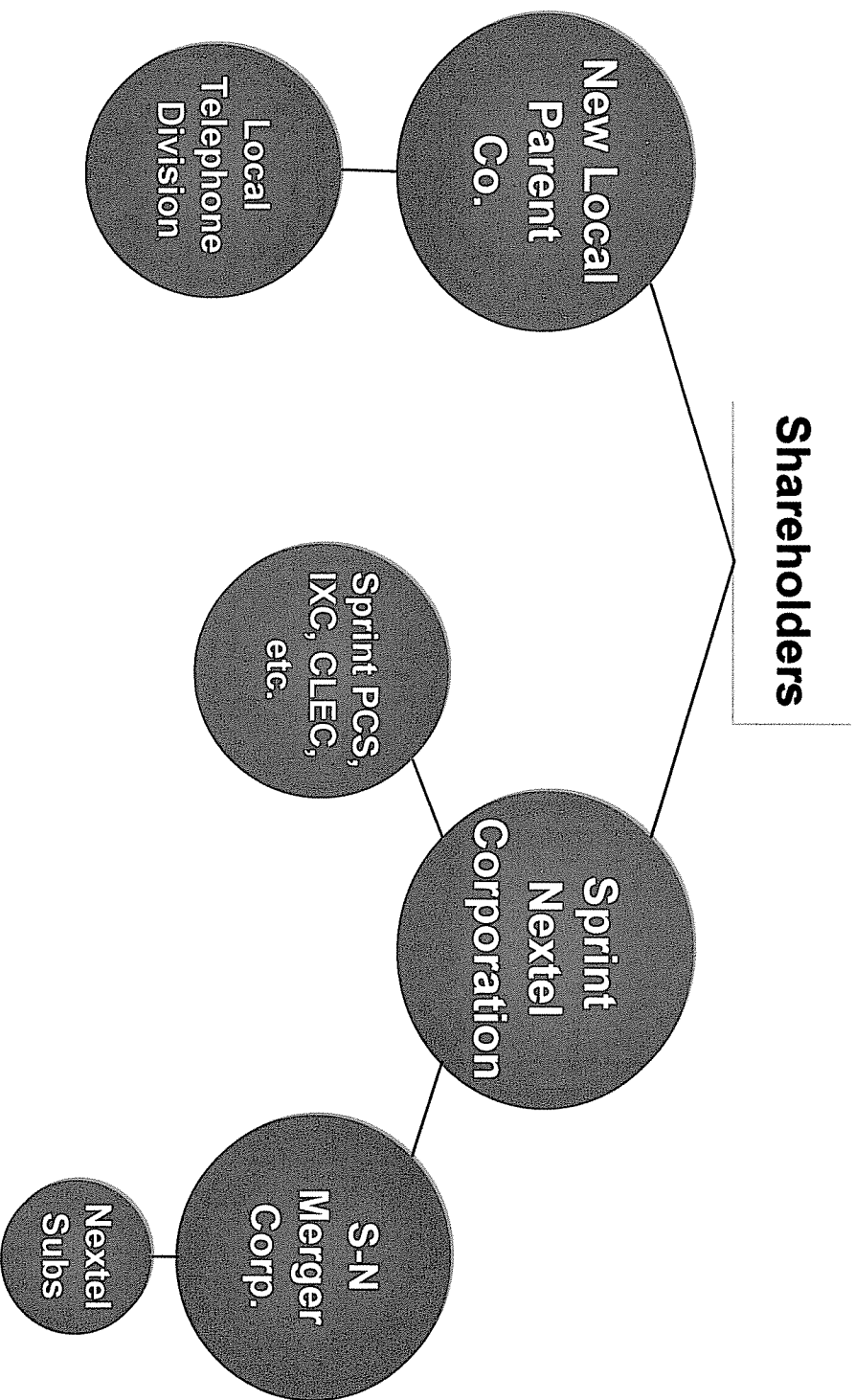
Sprint Nextel post merger plans for LTD

- Sprint Nextel intends to spin off Sprint's local telecom business (consumer, business and wholesale) into a separate parent company to be owned by Sprint Nextel shareholders.
- New LTD will have new name, own management team and board of directors.
- 7.7 million local access lines in 18 states.
- Largest independent local telco in United States.
- Headquarters to be in Kansas City.



Sprint Nextel Proposed Merger

Sprint and Nextel – Spin-Off of ILEC (Post Merger)



• Shareholders of post merger Sprint Nextel Corp. receive distribution of stock of LTD parent.

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